

**R865. Tax Commission, Auditing.**

**R865-6F. Franchise Tax.**

**~~R865-6F-35. S Corporation Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.~~**

~~(1) For purposes of Section 59-7-703(2)(b)(i), "items of income or loss from Schedule K of the 1120S federal form" shall be calculated by:~~

~~(a) adding back to the line on the Schedule K labeled Income/loss reconciliation" the amount included on that schedule for:~~

~~(i) charitable contributions;~~

~~(ii) total foreign taxes paid or accrued; and~~

~~(iii) recapture of a benefit derived from a deduction under Section 179, Internal Revenue Code.~~

~~(b) If the S corporation was not required to complete the line labeled Income/loss reconciliation" on the Schedule K, a pro forma calculation of the amounts for charitable contributions and foreign taxes paid or accrued, and of the amount that would have been entered on the Income/loss reconciliation" line shall be used for purposes of this rule.~~

~~(2) An S corporation shall withhold tax on behalf of a nonresident shareholder at the rate in effect in Section 59-10-104.~~

~~(3) An S corporation with nonresident shareholders shall complete Schedule N of form TC-20S, and shall provide the following information for each nonresident shareholder:~~

~~(a) name;~~

~~(b) social security number;~~

~~(c) percentage of S corporation held; and~~

~~(d) amount of Utah tax paid or withheld on behalf of that shareholder.~~

**KEY: taxation, franchises, historic preservation, trucking industries**